

FOR BACKGROUND PURPOSES

## THE PROTECT IP ACT: COMBATING ONLINE INFRINGEMENT

**CREATING AMERICAN JOBS, PROMOTING AMERICA'S ECONOMY, PROTECTING AMERICAN CONSUMERS**

*Protecting Intellectual Property Will Create Jobs*

**Intellectual property is a driving force of the American economy.**

***FACT:*** Intellectual property-reliant companies generate more than \$7.7 trillion annually and employ more than 19 million workers, accounting for nearly 70 percent of U.S. manufacturing jobs, according to a 2011 study by NDP Consulting.

The contributions made by intellectual property-intensive businesses to the economy are particularly significant in today's economic climate. **The United States Trade Representative has estimated that billions of dollars are lost annually due to global counterfeiting and piracy.** The PROTECT IP Act gives law enforcement and rights holders more effective mechanisms to stop this damaging theft.

**The theft of intellectual property online costs rights holders billions of dollars.**

***FACT:*** It is estimated that copyright piracy alone costs the American economy more than \$50 billion annually, costing federal, state, and local governments more than \$2 billion in tax revenue. Global sales of counterfeit goods via the Internet reportedly reached \$135 billion in 2010.

For IP intensive businesses, the loss of income to online pirates and counterfeiters means that less money can go into developing new products and hiring and paying workers. **The AFL-CIO reports that online infringement results in hundreds of thousands of lost jobs,** and severely reduces the income of those who are employed. Since intellectual property-intensive industries typically pay employees more than other industries, the theft of their property online directly undercuts an important source of well-paying high- and low-skill jobs.

**Protecting American intellectual property online means protecting and growing American jobs.**

***FACT:*** Intellectual property is one of the chief exports of the American economy, whether through copyrighted film, television, and music, or patented and trademarked hard goods.

In a letter to Senate leaders, the Better Business Bureau wrote that, according to a 2007 survey by the Institute for Policy Innovation, "copyright theft costs the U.S. economy more than 373,000 jobs that would otherwise be created, as well as \$58 billion in economic output and \$3 billion in federal, state and local tax revenues."

As the U.S. looks to remain globally competitive and to preserve its strength in manufacturing, ensuring stricter enforcement of existing intellectual property laws on the Internet is increasingly important. Businesses and labor unions are united in recognizing the scope of online theft and the need for better protections. By targeting primarily foreign-based websites that steal American intellectual property, **the PROTECT IP Act will preserve existing, high paying jobs while helping to spur job creation in the United States.** That is why the legislation has bipartisan support and the endorsement of both the U.S. Chamber of Commerce and the AFL-CIO, as well as many other labor organizations.

**The PROTECT IP Act (S. 968)**

The bipartisan PROTECT IP Act was approved by the Senate Judiciary Committee by a unanimous voice vote on May 26, 2011. The legislation will protect American businesses and American workers by making it more difficult for operators of rogue websites, often based overseas, to steal American intellectual property. More than 40 Senators are cosponsors of the legislation, which is supported by hundreds of businesses, consumer advocacy groups, labor organizations and intellectual property coalitions.